

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

**LOYALTY CONVERSION SYSTEMS
CORPORATION,**

Plaintiff,

v.

FRONTIER AIRLINES, INC.,

Defendant.

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Civil Action No. 2:13-cv-660-JRG

Jury Trial Demanded

PLAINTIFF’S RESPONSE TO DEFENDANT’S COUNTERCLAIMS

Plaintiff Loyalty Conversion Systems Corporation (“Plaintiff” or “Loyalty Conversion”), by and through its attorneys, files the following Response to Defendant Frontier Airlines, Inc.’s (“Defendant” or “Frontier”) Answer, Affirmative Defenses, and Counterclaims to Loyalty Conversion’s Original Complaint (“Counterclaims”), as follows:

PLAINTIFF’S RESPONSE TO COUNTERCLAIMS

PARTIES

1. Upon information and belief, admitted.
2. Admitted.

JURISDICTION AND VENUE

3. Admitted.
4. Admitted.
5. Admitted.
6. Admitted that an actual, justiciable controversy exists between Frontier and Loyalty Conversion concerning the ’023 Patent and the ’550 Patent; admitted that Loyalty Conversion has asserted that Frontier has infringed and is infringing on the Patents-in-Suit;

denied as to the remainder of the paragraph.

COUNTERCLAIM I

(Declaratory Judgment of Non-Infringement of U.S. Patent No. 8,313,023)

7. No new factual allegations are included in this paragraph.

8. Denied. Loyalty Conversion alleged that it holds all substantial rights and interest in and to United States Patent No. 8,313,023. Admitted as to the remainder of this paragraph.

9. Admitted.

10. Denied.

11. Denied.

COUNTERCLAIM II

(Declaratory Judgment of Non-Infringement of U.S. Patent No. 8,551,550)

12. No new factual allegations are included in this paragraph.

13. Denied. Loyalty Conversion alleged that it holds all substantial rights and interest in and to United States Patent No. 8,511,550. Admitted as to the remainder of this paragraph.

14. Admitted.

15. Denied.

16. Denied.

COUNTERCLAIM III

(Declaratory Judgment of Invalidity of U.S. Patent No. 8,313,023)

17. No new factual allegations are included in this paragraph.

18. Admitted.

19. Denied.

20. Denied.

COUNTERCLAIM IV
(Declaratory Judgment of Invalidity of U.S. Patent No. 8,551,550)

- 21. No new factual allegations are included in this paragraph.
- 22. Admitted.
- 23. Denied.
- 24. Denied.

ANSWER TO FRONTIER'S PRAYER FOR RELIEF

Plaintiff denies that Frontier Airlines, Inc. is entitled to any of the relief requested in its Counterclaims.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, Loyalty Conversion Systems Corporation, requests that Defendant, Frontier Airlines, Inc., take nothing against Plaintiff by reason of its Counterclaims against Plaintiff, that Plaintiff be awarded the relief sought in its Complaint, that the Court dismiss Defendant's Counterclaims against Plaintiff in their entirety with prejudice, that Plaintiff be awarded its costs of suit, including attorneys' fees, and that the Court grant such other and further relief as it deems just and proper.

Dated: November 7, 2013

By: /s/ Adam G. Price
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CERTIFICATE OF SERVICE

The undersigned certifies that on this 7th day of November, 2013, all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document through the Court's CM/ECF system under Local Rule CV-5(a)(3).

/s/ Adam G. Price
Adam G. Price